

[The latest news for Minnesota Housing homeownership lender partners]



Conventional Loans: Fannie Mae & Freddie Mac 80% AMI Income Limits Changes

Conventional 80% Area Median Income (AMI) qualifying income limits for all Minnesota counties are changing, which will impact loan pricing, MI costs, and UPMI product availability.

- 80% AMI income limits in 11 counties are decreasing (Benton, Blue Earth, Carlton, Lake, Lyon, Nicollet, Polk, St. Louis, Stearns, Stevens, Waseca).
- 80% AMI income limits are increasing in the remaining 76 counties

Fannie Mae Implementation Timing:

- The 2021 income limits are effective for loans with **DU initial run dates on or after June 5, 2021.**

Freddie Mac Implementation Timing:

- Automated underwritten loans
 - In counties where the income limits increased, **the more generous 2021 limits are effective June 16** even if you had an LPA Accept recommendation before June 16
 - In counties where the income limits decreased, if you had an LPA Accept recommendation before June 16, 2021 (even if re-run on/after June 16) **the more generous 2020 limits still apply.**
- Manually underwritten loans
 - Use the 2021 limits for any loans with application received dates (i.e. initial URLA date) on or after June 16, 2021.

IMPORTANT: The Minnesota Housing loan commitment system cannot automatically determine whether the borrower is under or over the 80% AMI limit. Consequently, **the system may not automatically generate the correct rate for your borrower if:**

- Their loan qualifying income is between the old and new income limits
- And/or if the income entered into the system is not the underwriter's final qualifying income.

How can I make sure my conventional borrowers get the correct rate and avoid errors?

At Rate Lock:

1. **Confirm** the loan *qualifying* income entered into the Minnesota Housing loan commitment system is correct.
2. Use the [Conventional Income Limits](#) document to determine whether your borrower is above or below 80% AMI.
3. **Compare the rate** the system is generating to the rates on the Minnesota Housing rate sheet.
4. If the system did not generate the correct rate, contact the [Partner Solutions Team](#).

Prior to Closing:

1. Enter the underwriter's final loan qualifying income in the Minnesota Housing loan commitment system.
2. Use the [Conventional Income Limits](#) document to determine whether your borrower is above or below 80% AMI.
3. Contact the [Partner Solutions Team](#) if:
 - The system did not generate the correct rate, or
 - The borrower's qualifying income is between the old and new income limits and you are unsure whether the rate is correct.

Conventional AMI Income Limit Refresher Training

Please join us for a training to learn about upcoming changes to conventional 80% Area Median Income (AMI) qualifying income limits. The training will be held **Tuesday, June 22 from 9:00 - 10:00 a.m.** [Click here to register.](#)

Reminder: Conventional Loan Product Training with Fannie Mae & Freddie Mac

Please join us for a training to learn about the benefits of Minnesota Housing's exclusive Conventional Loan products and how they can help borrowers in today's housing market. Our GSE partners will present the features of Fannie Mae's HFA Preferred™ and Freddie Mac's HFA Advantage® loan products, review credit and debt-to-income requirements, along with area median income and income limits. The GSEs will also share resources such as marketing materials and provide a website tour. The training will be held **Tuesday, June 15 from 9:00 - 10:00 a.m.** [Click here to register.](#)

Reminder: Monthly Training Webinars

We recently launched a new series of monthly training webinars, with different topics each month.

Trainings are every third Thursday of the month from 9:00 - 10:30 a.m.

- June 17, 2021 [Minnesota Housing Downpayment & Closing Cost Loans 101](#)
- July 15, 2021 [Start Up 101](#)
- August 19, 2021 [Post Closing & Delivery Essentials with U.S. Bank](#)

Please join us!

Fix Up Loan Program Training

If you're interested in learning more about our Fix Up loan program, or if you're a Fix Up lender that needs training, [register for our quarterly Fix Up Loan 101 Training Webinar](#). The training will take place on **Wednesday, June 16 from 9:00 - 10:30 a.m.**

Getting Your Loans Purchased Faster - Recorded Training

Minnesota Housing and U.S. Bank Home Mortgage - HFA Division invite you to view the recorded **Getting Your Loans Purchased Faster** training. In this virtual training, U.S. Bank - HFA Division staff review how to avoid the top 10 most common loan deficiencies that slow down loan purchase, and provide a tour of how to utilize the [U.S. Bank Selling Guide](#) to streamline loan delivery and purchase. If you are a lender or your work involves preparing and closing documents, post-closing file delivery, or operations management, this is a great training opportunity for you. [Click here](#), enter your information, then click register to view the training.

Minnesota Housing Monthly Update & Underwriter Call

Join us monthly to review recent Minnesota Housing updates and important information to help you originate and process our loans. [Click here to register for the monthly calls](#). When you register, you will be signed up for all sessions but can attend the sessions that work for you. All calls occur on the second Thursday of the month from 9:00 - 10:00 a.m. CST. Next sessions are:

- Thursday, July 8

eLearning Training Courses

Are you interested in learning more about Minnesota Housing loan programs, requirements, and how they work? The eLearning training courses are a great place to start. These self-paced training modules lay out the basics of the Start Up and Step Up programs, eligibility and income requirements, down payment and closing cost loans, and much more! To view a complete list of courses, visit the [Homeownership Training page](#) and select eLearning Courses.

Questions?

You can reach the [Partner Solutions Team](#) at 651.296.8215 or 800.710.8871 between 8:00 a.m. and 5:00 p.m. on business days.



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